

**Louisiana Assessors' Retirement Fund**  
**Baton Rouge, Louisiana**  
**September 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/11

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February 9, 2011

**Independent Auditor's Report**

Members of the Board of Trustees  
Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statements of plan net assets of the

**Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana**

as of September 30, 2010 and 2009, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Louisiana Assessors' Retirement Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Assessors' Retirement Fund as of September 30, 2010 and 2009, and the changes in its net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2011, on our consideration of the Louisiana Assessors' Retirement Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Louisiana Assessors' Retirement Fund's financial statements as a whole. The Supporting Schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

## **Louisiana Assessors' Retirement Fund Management's Discussion and Analysis**

The following discussion and analysis of the Louisiana Assessors' Retirement Fund ("Retirement Fund") for the year ended September 30, 2010 highlights relevant aspects of the basic financial statements and provides an analytical overview of the Retirement Fund's financial activities.

### **Financial Highlights**

The net assets held in trust for pension benefits increased by \$19.4 million, or 10.35% compared to a decrease of \$15.6 million or 9.04% in the prior year. The \$19.4 million increase in net assets was primarily due to investment income of \$15.0 million.

The unfunded actuarial accrued liability decreased from \$22.8 million to \$21.6 million.

The Retirement Fund had a net investment income of \$14.6 million in 2010, compared to net investment income of \$11.6 million in 2009.

The amount of Annuity and DROP benefit payments decreased slightly, amounting to approximately \$13.2 million in 2010 compared to \$13.4 million in 2009.

### **Overview of the Financial Statements**

Management's Discussion and Analysis is intended to serve as an introduction to the Retirement Fund's basic financial statements, together with the related notes to the financial statements, required supplementary information, and the supporting schedules, all of which are described below:

Statements of Plan Net Assets - These statements report the Retirement Fund's assets, liabilities, and resultant net assets held in trust for pension benefits. The statements should be read with the understanding that they present the Retirement Fund's financial position on September 30, 2010 and September 30, 2009.

Statements of Changes in Plan Net Assets - These statements report the results of operations during the fiscal years, categorically presenting the additions to and deductions from plan net assets. The net increase or decrease in plan assets on these statements support the changes in net assets held in trust for pension benefits on the Statements of Plan Net Assets.

Notes to the Financial Statements - The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes follows:

Note 1 (Plan Description) Provides a general description of the Retirement Fund. Information is included regarding the board of trustees, plan membership, a description of basic retirement benefits, and the Back-Deferred Retirement Option Plan (DROP).

Note 2 (Summary of Significant Accounting Policies) Provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, system investments and properties is included in this note.

Note 3 (Contributions, Funding Status and Reserves) Describes contributions to the Retirement Fund and the Reserve Funds, Back-DROP, Annuity Savings, Pension Accumulation and Annuity Reserve.

**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Overview of the Financial Statements (Continued)**

Notes to the Financial Statements (Continued)

Note 4 (Actuarial Cost Method) Defines the cost methods used to calculate funding requirements of the Retirement Fund.

Note 5 (Deposits and Investment Risk Disclosures) Describes cash deposits as well as investments, including a discussion of interest rate risk, credit risk, and foreign currency risk. Investment authority and policy is also briefly discussed.

Note 6 (Note Receivable) Details a note receivable from the Louisiana Assessors' Association.

Note 7 (Property and Equipment) Details the cost of the Retirement Fund's fixed assets as well as related depreciation expense and accumulated depreciation.

Note 8 (Related Party Transactions) Provides an explanation of the shared expenses the Retirement Fund reimburses to the Louisiana Assessors' Association.

Note 9 (Required Supplementary Schedule Information) The required supplementary information consists of two schedules and related notes. These schedules show the funding progress and employer contribution data for the Retirement Fund. The related notes disclose key actuarial assumptions and methods used in the schedules.

Note 10 (Subsequent Events) Discloses any significant events occurring subsequent to the financial statement date and the date through which they were evaluated.

**Louisiana Assessors' Retirement Fund's Financial Analysis**

The Retirement Fund is a cost sharing, multiple-employer, qualified defined benefit pension plan covering Louisiana assessors and their employees under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Retirement benefits are funded through member contributions, employer contributions, ad valorem taxes, state revenue sharing, and earnings on investments. Total net assets held in trust for pension benefits at September 30, 2010 amounted to \$207.3 million; which was an increase of \$19.4 million, or 10.35% over the \$187.9 million held at September 30, 2009.

**Statement of Plan Net Assets**  
(In thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash and investments	\$206,898	\$187,399	\$171,429
Receivables	619	624	833
Capital assets	4	8	12
Notes receivable	72	77	81
Other assets		9	
Total assets	<u>207,593</u>	<u>188,117</u>	<u>172,355</u>
Liabilities	<u>270</u>	<u>220</u>	<u>49</u>
Plan net assets	<u>207,323</u>	<u>187,897</u>	<u>172,306</u>

**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)**

Additions to (Reductions in) Plan Net Assets

Changes to the Retirement Fund's net assets held in trust for pension benefits include contributions from employers and members, ad valorem taxes, revenue sharing, and investment income. The Retirement Fund recognized a current year net investment gain of \$14.6 million compared to the \$11.6 million gain in the prior year.

<u>Additions to (Reductions in) Net Assets</u>	<u>In Thousands</u>			<u>2009 to 2010</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Percentage Change</u>
Employer contributions	\$5,185	\$5,062	\$4,913	2.4%
Employee contributions	3,101	3,008	2,931	3.1%
Investment income (loss)	14,553	11,556	(26,672)	25.9%
Transfers in	231	3	339	7600.0%
State revenue sharing	446	358	357	24.6%
Ad valorem taxes	9,901	9,543	8,626	3.8%
Miscellaneous	<u>3</u>	<u>1</u>	<u>5</u>	200.0%
<u>Total additions (reductions)</u>	<u>33,420</u>	<u>29,531</u>	<u>(9,501)</u>	13.2%

Deductions from Plan Net Assets

Deductions from the Retirement Fund's net assets held in trust for pension benefits are comprised primarily of pensions paid Retirement Fund retirees, survivors, and beneficiaries. Also included as deductions are administrative expenses and refunds of contributions. Pensions paid to retirees, survivors, and beneficiaries amounted to \$13.2 million for 2010, compared to the \$13.4 million paid in 2009. The administrative expenses represented only 1.7% of total plan deductions, which is consistent with the prior year.

<u>Deductions from Plan Net Assets</u>	<u>In Thousands</u>			<u>2009 to 2010</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Percentage Change</u>
Benefits paid (Annuity and DROP)	\$13,234	\$13,372	\$10,146	(1.0)%
Refunds and transfers	519	329	168	57.8%
Administrative expenses	<u>240</u>	<u>240</u>	<u>251</u>	0.0%
<u>Total deductions</u>	<u>13,993</u>	<u>13,941</u>	<u>10,565</u>	0.4%

Investments

Total investments amounted to \$198.5 million at September 30, 2010 as compared to \$183.9 million at September 30, 2009 which represented an increase of \$14.6 million or 8.0%.

When making comparisons from year to year, it is important to be aware that other factors may affect the change in investments, particularly the changes between investment categories and types. Probably the most notable factor is that of investment re-balancing, which is initiated when a certain predetermined target allocation percentage is reached. Investment allocations that have become over-allocated are sold in part and distributed for the purchase

**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)**

Investments (Continued)

of investment allocations that have become under-allocated. It is also important to note that the investment portfolio is not stagnant, but is traded in part each business day. Therefore, the reader should be cautious about drawing conclusions as to how and why the portfolio increased or decreased in value. It is perhaps best to refer to the following table to conclude how the Retirement Fund's investments changed overall.

	<b>In Thousands</b>			<b>2009 to 2010</b>
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>Percentage Change</u></b>
Investments, at fair value				
Short-term investments	\$1,807	\$1,589	\$1,003	13.7%
LAMP Funds	6,135	16,081	10,485	(61.9)%
U.S. Government securities	8,932	9,153	8,149	(2.4)%
Corporate bonds	12,642	10,509	9,210	20.3%
Foreign government securities	407	451	425	(9.8)%
Bond mutual funds	47,146	41,155	33,780	14.6%
Stock mutual funds	113,227	91,912	93,991	23.2%
Real estate	<u>8,233</u>	<u>13,052</u>	<u>9,664</u>	(36.9)%
<u>Total investments</u>	<u>198,529</u>	<u>183,902</u>	<u>166,707</u>	8.0%

**Funding Status**

The primary concern to most pension plan participants is the amount of money available to pay benefits. An actuarial valuation of assets and liabilities is performed annually.

An indicator of funding status is the ratio of the actuarial present value of the assets to the actuarial present value of future benefits using the entry age normal method. An increase in this percentage over time usually indicates a plan is in financial decline. Changes in the financial markets can significantly impact the actuarial value of assets, which will impact the funded ratio. In addition to changes in the financial markets, the collection of actuarially required contributions has a significant impact on the funding status of the system. See the required supplementary information for more information regarding the funded status.

**REQUESTS FOR INFORMATION**

This Annual Financial Report is designed to provide a general overview of the Louisiana Assessors' Retirement Fund's finances for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.



**Louisiana Assessors' Retirement Fund**  
**Statements of Plan Net Assets**  
**September 30, 2010 and 2009**

	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$8,367,842</u>	<u>\$3,497,851</u>
Receivables		
Employer contributions	261,804	289,097
Employee contributions	155,162	171,316
Accrued interest and dividends	<u>202,093</u>	<u>163,963</u>
<u>Total receivables</u>	<u>619,059</u>	<u>624,376</u>
Investments, at fair value		
Short-term investments	1,806,653	1,588,840
LAMP Funds	6,135,005	16,080,974
U.S. Government securities	8,932,402	9,153,153
Corporate bonds	12,641,487	10,508,556
Foreign government securities	407,428	450,908
Bond mutual funds	47,146,435	41,154,746
Stock mutual funds	113,227,190	91,912,478
Real estate funds	<u>8,233,142</u>	<u>13,052,167</u>
<u>Total investments</u>	<u>198,529,742</u>	<u>183,901,822</u>
Prepaid expenses		<u>8,500</u>
Note receivable	<u>71,948</u>	<u>76,535</u>
Property and Equipment, (net of accumulated depreciation of \$97,335 for 2010 and \$94,142 for 2009)	<u>4,412</u>	<u>7,605</u>
<u>Total assets</u>	<u>207,593,003</u>	<u>188,116,689</u>
<b>Liabilities</b>		
Accounts payable	268,165	219,911
Accrued liabilities	<u>1,806</u>	<u>      </u>
	<u>269,971</u>	<u>219,911</u>
<b>Net Assets Held in Trust For Pension Benefits</b>		
(A schedule of funding progress is presented on page 26)	<u><u>207,323,032</u></u>	<u><u>187,896,778</u></u>

The accompanying notes are an integral part of these statements.

**Louisiana Assessors' Retirement Fund**  
**Statements of Changes in Plan Net Assets**  
**Years Ended September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Additions</b>		
Contributions		
Employer	\$5,185,096	\$5,061,835
Employee	3,100,981	3,008,014
State revenue sharing	446,233	357,922
Ad valorem taxes	<u>9,900,562</u>	<u>9,542,851</u>
	<u>18,632,872</u>	<u>17,970,622</u>
Investment Income		
Net appreciation in fair value of investments	12,133,577	8,892,690
Interest and dividends	<u>2,853,802</u>	<u>2,957,532</u>
	<u>14,987,379</u>	<u>11,850,222</u>
Less Investment Expenses	<u>434,854</u>	<u>293,910</u>
<u>Net investment income</u>	<u>14,552,525</u>	<u>11,556,312</u>
<b>Other Additions</b>		
Assets transferred from other systems	231,051	3,729
Miscellaneous	<u>3,161</u>	<u>575</u>
	<u>234,212</u>	<u>4,304</u>
<u>Total additions</u>	<u>33,419,609</u>	<u>29,531,238</u>
<b>Deductions</b>		
Annuity benefits	11,451,515	10,751,790
DROP benefits	1,782,559	2,620,360
Refunds to terminated employees	444,546	214,125
Assets transferred to other systems	74,860	114,604
Administrative expenses	<u>239,875</u>	<u>239,974</u>
<u>Total deductions</u>	<u>13,993,355</u>	<u>13,940,853</u>
<b>Net Increase</b>	19,426,254	15,590,385
<b>Net Assets Held in Trust For Pension Benefits</b>		
Beginning of Year	<u>187,896,778</u>	<u>172,306,393</u>
End of Year	<u>207,323,032</u>	<u>187,896,778</u>

The accompanying notes are an integral part of these statements.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1-Plan Description**

The following brief description of the Louisiana Assessors' Retirement Fund is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

General The Retirement Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

Reporting Entity The Louisiana Assessors' Retirement Fund is not a component unit of the State of Louisiana and its financial statements are not included in the State's consolidated annual financial report. The accompanying financial statements reflect the activity of the Retirement Fund.

Under Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", the definition of a reporting entity is based primarily on the concept of financial accountability. In determining its component unit status, the administrators considered the following:

- The plan exists for the benefit of current and former assessors and employees who are members of the Retirement Fund.
- Two of the fifteen board members are elected by the employees who participate in the Retirement Fund, and two are retiree representatives elected by retirees of the Retirement Fund.
- The Retirement Fund is funded by the investment of contributions from members and member employees who are obligated to make contributions to the Retirement Fund based upon actuarial valuations.

The Louisiana Assessors' Retirement Fund has no component units as defined under GASB 14.

The Retirement Fund is administered by a board of trustees made up of fifteen members, the president, vice president, and secretary-treasurer of the Louisiana Assessors' Association and eight regular member representatives who are elected for a term of two years from the Association districts. Two of the members are retiree representatives nominated by the board and elected by the retirees and two members are assessor employee representatives nominated by the board and elected by the employees.

Plan Membership Employer and employee membership data at September 30, 2010 and 2009, is as follows:

	<u>2010</u>	<u>2009</u>
<b>Employer Members</b>		
Louisiana Assessors' offices	70	70
Louisiana Assessors' Association	1	1
Orleans Parish Board of Assessors	<u>1</u>	<u>1</u>
	<u>72</u>	<u>72</u>

(Continued)

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1-Plan Description (Continued)**

Plan Membership (Continued)

	<u>2010</u>	<u>2009</u>
<b>Employee Members</b>		
Current retirees and beneficiaries	460	454
Terminated vested participants	22	23
Terminated due a refund	60	58
Active plan participants	<u>768</u>	<u>777</u>
	<u>1,310</u>	<u>1,312</u>

Plan benefits are as follows:

**A. Pension Benefits**

Employees with 30 or more years of service or employees who have twelve (12) years of service who have attained age 55, are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100% of final compensation, for employees who became members prior to October 1, 2006. Employees who become members on or after October 1, 2006, will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employee's lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

**B. Death Benefits**

1. If a member of the Retirement Fund dies in service with less than twelve years of creditable service, and leaves a surviving spouse, his accumulated contributions shall be paid to the surviving spouse.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1-Plan Description (Continued)**

**B. Death Benefits (Continued)**

2. If a member dies and has twelve or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in Number 2 shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

**C. Disability Benefits**

The board of trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of (1) or (2) as set forth below:

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or
2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

**D. Back-Deferred Retirement Option Plan (Back-DROP)**

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in this section.

An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply:

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1-Plan Description (Continued)**

**D. Back-Deferred Retirement Option Plan (Back-DROP) (Continued)**

2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked his participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Retirement Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the member or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the board of trustees.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1-Plan Description (Continued)**

**D. Back-Deferred Retirement Option Plan (Back-DROP) (Continued)**

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

Upon the death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's remaining contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity savings fund balance as of the member's date of retirement reduced by the portion of the Back-DROP account balance and previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

Notwithstanding any law to the contrary, any member in the Deferred Retirement Option Plan of this Fund who has not severed employment and has not taken a distribution from their DROP account, may make a one-time, irrevocable election to rescind all their participant period in DROP and return to active, contributing membership in the Fund on or before March 31, 2009. A member who rescinds such DROP participation shall forfeit all accumulated DROP benefits and any interest accrued on such benefits. If contributions were not previously paid, the member shall pay to the Fund the employee contributions the Fund would have received if the employee had not been a DROP participant during the member participation period, together with any interest or other actuarial cost for such rescission. The rescinding member shall be required to hold the Fund contractually harmless in the event that a spouse, former spouse, or any other person successfully establishes a property right relative to the DROP benefit forfeited by the member which has any adverse effect upon the Fund.

During the year ended September 30, 2010, \$1,782,559 was paid from the deferred retirement option accounts on behalf of 18 participants. During the year ended September 30, 2009, \$2,620,360 was paid from the deferred retirement option accounts on behalf of 21 participants.

**E. Excess Benefit Plan**

Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Retirement Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

**Note 2-Summary of Significant Accounting and Financial Reporting Policies**

**A. Basis of Accounting**

The Retirement Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services. Benefits and refunds are recognized when due and payable. Investment purchases and sales are recorded as of their trade date. Additional contributions from ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 2-Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**B. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and plan net assets at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in plan net assets during the reporting period and, when applicable, disclosures of the contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The Fund utilizes various investment instruments, which, by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Statement of Plan Net Assets.

**C. Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits in banks and temporary cash investments in money market accounts with the trust department of the investment custodian bank. The money market balances consist of government backed pooled funds.

**D. Valuation of Investments**

As required by GASB No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", investments are reported at fair value. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Mortgage-backed securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Fair values of the limited partnership investments are based on valuations reported by the general partner. Investments that do not have an established market are reported at estimated fair value.

**E. Property and Equipment**

Property and equipment are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 3 to 15 years for equipment and furniture.

**Note 3-Contributions, Funding Status and Reserves**

**A. Contributions**

Contributions for all members are established by statute at 8.0% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the retirement fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 13.5% of members' earnings for the years ended September 30, 2010 and 2009.



**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 3-Contributions, Funding Status and Reserves (Continued)**

**A. Contributions (Continued)**

The Retirement Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for fiscal year 2010 is 4.08%, the actual employer contribution rate for fiscal 2010 is 13.50%, since state statutes require that employer rates be set one year in advance. The minimum direct employer actuarially required contribution will be 9.83% for fiscal year 2011.

**B. Funding Status**

The schedule below reflects the funded status and progress of the Fund for the fiscal year ended September 30, 2010 and 2009:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Unfunded (Overfunded) (AAL) (UAAL) (b)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (a +b)</b>	<b>Funded Ratio (a/a+b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b/c)</b>
2010	\$222,141,802	\$21,590,624	\$243,732,426	91.14%	\$37,837,825	57.06%
2009	\$206,677,103	\$22,817,329	\$229,494,432	90.06%	\$38,030,395	60.00%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedule of Fund Progress located in required supplementary schedules following the Notes to Financial Statements presents multi-year trend information regarding whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information on the actuarial methods and assumptions used as of September 30, 2010 actuarial valuation follows:

Valuation date	September 30, 2010.
Actuarial cost method	Frozen Attained Age Normal Cost Method with allocation based on earnings. The actuarial accrued liabilities utilized to calculate the frozen unfunded accrued liability were calculated on the Projected Unit Credit Cost Method. Changes in assumptions and plan benefits are funded through adjustments to future normal costs.
(Continued)	

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 3-Contributions and Funding Status and Reserves (Continued)**

**B. Funding Status (Continued)**

Actuarial asset values	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the previous year; two-fifths of all earnings above or below the valuation interest rate from two years prior; and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.
Actuarial methods and assumptions:	
Valuation interest rate	7.5% (net of investment expense)
Annual salary interest rate	6% (3.25% inflation/2.75% merit)
Active member, annuitant and beneficiary mortality	RP 2000 Combined Healthy Table set back three years for males and two years for females.
Retiree Cost of Living Increases	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

**C. Reserve Funds**

Use of the term "reserve" by the Retirement Fund indicates that a portion of the net assets is legally restricted for a specific future use. The nature and purpose of these reserves are explained below.

*Expense*

The Expense Fund Reserve provides for general and administrative expenses of the Retirement Fund and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the retirement funds and is made as needed.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 3-Contributions and Funding Status and Reserves (Continued)**

**C. Reserve Funds (Continued)**

*Annuity Savings*

The Annuity Savings is credited with contributions made by members of the Retirement Fund. When a member terminates service, or upon death before qualifying for a benefit, the refund of member's contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve to provide part of the benefits. The Annuity Savings as of September 30, 2010 and 2009 is \$26,105,120 and \$24,438,760, respectively. The Annuity Savings is fully funded.

*Pension Accumulation Reserve*

The Pension Accumulation Reserve consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation as of September 30, 2010 and 2009, is \$61,691,151 and \$56,922,707, respectively. The Pension Accumulation Reserve is fully funded.

*Annuity Reserve*

The Annuity Reserve consists of the reserves for all pensions granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of September 30, 2010 and 2009 is \$109,600,192 and \$100,188,403, respectively. The Annuity Reserve is fully funded.

*Deferred Retirement Option Account*

The Deferred Retirement Option Account consists of the reserves for all members, who upon retirement eligibility, elect to deposit into this account an amount equal to the member's monthly benefit as if the member had retired. A member can participate in the program for a maximum of three years, and upon termination may receive benefits in a lump sum payment. The Deferred Retirement Option Account as of September 30, 2010 and 2009 is \$2,836,209 and \$3,399,300, respectively. The Deferred Retirement Option Account is fully funded.

*Funding Deposit Reserve*

The Funding Deposit Reserve is credited with all surplus funds collected by the Retirement Fund for any fiscal year ending after December 31, 2008, in which the Board of Trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds may be used to reduce the unfunded accrued liability, reduce the present value of future normal costs, or to pay all or a portion of any future net direct employer contributions. The Funding Deposit Reserve was \$7,104,280 at September 30, 2010 and \$2,939,108 at September 30, 2009.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 4-Actuarial Cost Method**

The "Frozen Attained Age Normal" cost method is used to calculate the funding requirements of the Retirement Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Retirement Fund's unfunded liability must be made. Act 81 of the 1988 Legislative Session requires that the unfunded accrued liability be amortized over a forty year period beginning on July 1, 1989 with payments increasing at 3.5% per year.

**Note 5-Deposits and Investment Risk Disclosures**

The tables presented on the following pages include disclosures of custodial, interest rate, credit and foreign currency risks in accordance with GASB 40 and are designed to inform financial statement users about investment risks that could affect the Fund's ability to meet its obligations. These tables classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual assets classes on the financial statements.

**A. Deposits**

At September 30, 2010 and 2009, the Retirement Fund has deposits (book balances) consisting of the following:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$97,842	\$27,851
Sweep account	<u>8,270,000</u>	<u>3,470,000</u>
	<u>8,367,842</u>	<u>3,497,851</u>

These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by the Federal Deposit Insurance Corporation or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal Deposit Insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2010, the Retirement Fund had \$8,376,686 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$8,270,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Retirement Fund's deposits may not be returned to it. Even though \$8,126,686 of the Retirement Fund's deposits are considered to be exposed to custodial credit risk, R.S.39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Retirement Fund that the fiscal agent has failed to pay deposited funds upon demand.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**B. Investments**

The Retirement Fund's investments at cost and fair value as determined by quoted market prices at September 30, 2010 and 2009 are as follows.

	<u>2010</u>		<u>2009</u>	
	<u>Amortized</u>	<u>Fair</u>	<u>Amortized</u>	<u>Fair</u>
	<u>Cost</u>	<u>Values</u>	<u>Cost</u>	<u>Values</u>
Short-term investments	\$1,806,653	\$1,806,653	\$1,588,840	\$1,588,840
LAMP Funds	6,135,005	6,135,005	16,080,974	16,080,974
U.S. Government Securities	8,577,285	8,932,402	8,866,234	9,153,153
Corporate Bonds	11,532,251	12,641,487	9,932,243	10,508,556
Foreign government securities	395,652	407,428	409,470	450,908
Commingled bond index funds	39,983,136	47,146,435	39,008,683	41,154,746
Stock index funds	95,441,607	113,227,190	85,087,790	91,912,478
Real estate fund	<u>10,419,903</u>	<u>8,233,142</u>	<u>10,089,243</u>	<u>13,052,167</u>
	<u>174,291,492</u>	<u>198,529,742</u>	<u>171,063,477</u>	<u>183,901,822</u>

The Board of Trustees' investment objective is a long-term compound rate of return on the Retirement Fund's assets that is the greater of (a) 3.5% above the CPI-U seasonally adjusted or (b) the actuarial rate (currently 8.0%).

The Retirement Fund's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value by \$12,133,577 and \$8,892,690 for the years ended September 30, 2010 and 2009, respectively. Included in these amounts are realized gains (losses) on the sale of securities in the amount of (\$126,018) and \$696,889 for the years ended September 30, 2010 and 2009, respectively.

The Retirement Fund also holds an investment in the Louisiana Assets Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the state treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at market value and are equal to the value of the pool shares.

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable entities of the State of Louisiana to aggregate funds for investments.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by its board of directors. LAMP's Statement of Investment Guidelines authorizes investments in various investments and products, including United States

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**B. Investments (Continued)**

Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes, Federal Farm Credit Bank notes, Student Loan Marketing Association notes, and other investments as approved by the board of directors. LAMP, Inc. is subject to the regulatory oversight of the Louisiana state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Investments in LAMP at September 30, 2010 and 2009 totaled \$6,135,005 and \$16,080,974, respectively. In accordance with GASB Codification Section 150.126, the investment in LAMP at September 30, 2010 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investments are in a pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The risk is applicable to debt investments with fair values that are sensitive to changes in interest rates. One indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments. The Retirement Fund has no formal policy regarding interest rate risk.

As of September 30, 2010 and 2009, the Retirement Fund had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>5-10</u>	<u>More than 10</u>
<b>December 31, 2010</b>					
U.S. Government					
Agency Obligations	\$8,932,402		\$29,031	\$201,413	\$8,701,958
Corporate Bonds	12,641,487		3,013,495	8,211,902	1,416,090
Foreign government securities	<u>407,428</u>		<u>198,370</u>	<u>209,058</u>	<u>          </u>
<u>Totals</u>	<u>21,981,317</u>		<u>3,240,896</u>	<u>8,622,373</u>	<u>10,118,048</u>
<b>December 31, 2009</b>					
U.S. Government					
Agency Obligations	9,153,153		46,440	129,769	8,976,944
Corporate Bonds	10,508,556		4,315,251	4,862,964	1,330,341
Foreign government securities	<u>450,908</u>		<u>          </u>	<u>212,188</u>	<u>238,720</u>
<u>Totals</u>	<u>20,112,617</u>		<u>4,361,691</u>	<u>5,204,921</u>	<u>10,546,005</u>

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**D. Credit Risk**

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Retirement Fund's investment in a single issuer. The Retirement Fund's investment policy states that no more than 5% of the assets assigned to an investment manager may be invested in the securities of one issuer with the exception of Treasury and Agency securities. At September 30, 2010 and 2009, there were no investments with a single issuer which exceeded 5% of net assets available for benefits.

The Retirement Fund held investments with the following ratings as determined by Moody's Investors Service:

	<b><u>Market Value at September 30</u></b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Corporate Bonds</b>		
Aa2	\$440,560	\$398,775
Aa3	448,996	411,276
A1	1,135,468	975,564
A2	3,697,749	2,696,898
A3	1,711,026	1,514,404
Baa1	455,436	665,904
Baa2	3,062,118	3,043,275
Baa3	<u>1,690,134</u>	<u>802,460</u>
	<u>12,641,487</u>	<u>10,508,556</u>
<b>Commingled Bond Index Funds</b>		
Loomis Sayles MultiSector		
Full Discretion Trust	23,086,207	19,465,517
Pimco Total Return		
Institutional Fund	<u>24,060,228</u>	<u>21,689,229</u>
	<u>47,146,435</u>	<u>41,154,746</u>

**E. Foreign Currency Risk**

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Retirement Fund's exposure to foreign currency risk at September 30, 2010 and 2009 is as follows:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Indonesian Rupiah	\$198,370	\$212,188
Cayman Islands Dollar	<u>209,058</u>	<u>238,720</u>
	<u>407,428</u>	<u>450,908</u>

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**F. Investments in Limited Partnership**

The Fund invests in limited private equity partnerships. These investments are valued at market value, which is estimated by the General Partner of each partnership. The value assigned to these investments is based upon available information and does not necessarily represent the amounts that might ultimately be realized, since such investments depend on future circumstances and cannot be determined until the individual investments are actually liquidated.

**Note 6-Note Receivable**

The following is a summary of notes receivable at September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Note receivable due from the Louisiana Assessors' Association in monthly installments of \$888 at an interest rate of 8%, collateralized by a building.	<u>\$71,948</u>	<u>\$76,535</u>

Annual future maturities of notes receivable as of September 30, 2010 are as follows:

2011	\$5,084
2012	5,506
2013	5,963
2014	6,458
2015	6,994
Thereafter	<u>41,943</u>
	<u>71,948</u>

**Note 7-Property and Equipment**

The following is a summary of property, equipment and fixtures at September 30, 2010:

	<u>Balance</u> <u>October 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u>
<b><u>September 30, 2010</u></b>				
Furniture	\$58,962			\$58,962
Computer software	42,785			42,785
Less: accumulated depreciation	<u>(94,142)</u>	<u>(\$3,193)</u>		<u>(97,335)</u>
	<u>7,605</u>	<u>(3,193)</u>		<u>4,412</u>
<b><u>September 30, 2009</u></b>				
Furniture	\$58,962			\$58,962
Computer software	42,785			42,785
Less: accumulated depreciation	<u>(89,778)</u>	<u>(\$4,364)</u>		<u>(94,142)</u>
	<u>11,969</u>	<u>(4,364)</u>		<u>7,605</u>



**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 7-Property and Equipment (Continued)**

Depreciation expense for the years ended September 30, 2010 and 2009, was \$3,193 and \$4,364, respectively.

**Note 8-Related Party Transactions**

The Retirement Fund shares an office building, staff, equipment and other office expenses with the Louisiana Assessors' Association and the Louisiana Assessors' Insurance Fund, related parties. Most of the expenses, including the salaries of employees of all three entities, are paid out of the Association. The Retirement Fund reimbursed the Association \$103,571 and \$102,000 for shared expenses for the years ended September 30, 2010 and 2009, respectively.

The Retirement Fund's retirees may also participate in the Louisiana Assessors' Insurance Fund, which provides health and other insurance coverage to assessors' employees. Monthly premiums are withheld from retiree benefits and remitted to the Insurance Fund. The total amounts of insurance premiums remitted by the Retirement Fund to the Insurance Fund were \$298,914 and \$291,294 for the years ended September 30, 2010 and 2009, respectively.

In the year ended December 31, 2000, the Retirement Fund loaned \$110,000 to the Louisiana Assessors' Association to purchase additional office space in the building which houses the Retirement Fund, the Association, and the Louisiana Assessors' Insurance Fund. The Louisiana Assessors' Association repaid the initial \$5,000 down payment. The remaining \$105,000 is being repaid on a long-term note as described in Note 6.

**Note 9-Required Supplemental Information**

Information in the Required Supplementary Schedules is designed to provide information about the Retirement Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 27 - 28. In accordance with GASB 25, Required Supplementary Information can be found in the attached schedules.

**Note 10-Commitments**

The Retirement Fund has an agreement to invest an additional \$132,234 in the Americus Real Estate Fund IV.

**Note 11-Subsequent Events**

The Retirement Fund evaluated all subsequent events through February 9, 2011, the date the financial statements were available to be issued.

### **Required Supplementary Information**

**Louisiana Assessors' Retirement Fund**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**September 30, 2005 Through September 30, 2010**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Unfunded (Overfunded) (AAL) (UAAL) (b)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (a +b)</b>	<b>Funded Ratio (a/a+b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b/c)</b>
2005	\$132,989,725	\$35,788,138	\$168,777,863	78.80%	\$29,277,391	122.24%
2006	154,009,532	34,970,588	188,980,120	81.50%	29,478,685	118.63%
2007	176,233,629	32,124,893	208,358,522	84.58%	33,568,909	95.70%
2008	189,537,035	23,857,602	213,394,637	88.82%	36,638,923	65.12%
2009	206,677,103	22,817,329	229,494,432	90.06%	38,030,395	60.00%
2010	222,141,802	21,590,624	243,732,426	91.14%	37,837,825	57.06%

**Louisiana Assessors' Retirement Fund**  
**Required Supplementary Information**  
**Schedule of Contributions from Employers and Other Contributing Entities**  
**September 30, 2010**

<b><u>Fiscal Date</u></b>	<b><u>Actuarial Required Contribution Employer</u></b>	<b><u>Percent Contributed Employer</u></b>	<b><u>Actuarial Required Contribution Other Sources</u></b>	<b><u>Percent Contributed Other Sources</u></b>
2005	\$3,430,391	122.5%	\$6,817,178	100.1%
2006	3,408,280	122.2%	6,824,416	103.9%
2007	1,633,316	266.9%	7,405,985	100.5%
2008	1,607,032	305.7%	7,787,321	115.4%
2009	3,046,468	166.2%	9,100,689	108.8%
2010	1,564,207	331.5%	10,221,556	101.2%

### ***Supporting Schedules***

**Louisiana Assessors' Retirement Fund**  
**Schedule of Trustees' Per Diem**  
**Years Ended September 30, 2010 and 2009**

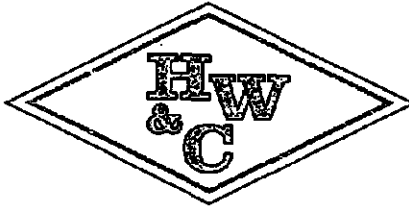
	<u>September 30, 2010</u>		<u>September 30, 2009</u>	
	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>
Thomas Arnold	1	\$75	9	\$675
Richard Cole, Jr.	5	375		
Rhyn Duplechain	12	900	11	825
Carroll Ellzey	1	75	10	750
Irby Gamble	11	825	9	675
Robert Gravolet			8	600
Louis Hebert	8	600	7	525
Charles Hennington, Jr.	8	600	11	825
Rickey Huval	8	600	7	525
Pam Jones	6	450	7	525
Whitney Joseph, Jr.	7	525		
Leroy Martin	7	525	8	600
Michael Martin	1	75	6	450
Lawrence Patin	8	600	9	675
Stephanie Smith	12	900	8	600
Brian Wilson	11	825	10	750
Michael Wooden	14	<u>1,050</u>	13	<u>975</u>
		<u>9,000</u>		<u>9,975</u>

**Louisiana Assessors' Retirement Fund**  
**Administrative Expenses**  
**Years Ended September 30, 2010 and 2009**

	<u><b>2010</b></u>	<u><b>2009</b></u>
Shared expenses including salaries and benefits and other office expenses	\$103,571	\$102,000
Other professional fees	83,391	72,273
Legal fees	12,611	20,500
Audit and accounting	13,400	14,325
Board per diem	9,000	9,975
Repairs and maintenance	3,432	3,883
Depreciation	3,193	4,364
Dues	300	
Office expense	600	148
Postage	110	2,038
Publications and subscriptions	688	207
Seminars	100	150
Travel	8,171	9,988
Bank charges	<u>1,308</u>	<u>123</u>
	<u><b>239,875</b></u>	<u><b>239,974</b></u>

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.  
LOUIS C. MCKNIGHT, III, C.P.A.  
CHARLES R. PEVEY, JR., C.P.A.  
DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

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February 9, 2011

**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Members of the Board of Trustees  
Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana

Members of the Board:

We have audited the basic financial statements of the

**Louisiana Assessors' Retirement Fund  
State of Louisiana**

as of and for the year ended September 30, 2010, and have issued our report thereon dated February 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Assessors' Retirement Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Assessors' Retirement Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Assessors' Retirement Fund's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Assessors' Retirement Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, the State of Louisiana Division of Administration, the Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,  
*Hawthorn, Waymouth & Carroll, L.L.P.*

**Louisiana Assessors' Retirement Fund  
Summary Schedule of Current Year Findings  
Year Ended September 30, 2010**

None

**Louisiana Assessors' Retirement Fund  
Summary Schedule of Prior Year Findings  
Year Ended September 30, 2010**

None